



South Coast Air Quality Management District

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October 31, 2007

Docket Management Facility, US Department of Transportation
Docket Number USCG-2007-26844
West Building; Room W12-140
1200 New Jersey Avenue SE,
Washington, DC 20590-0001

Dear Sir or Madame:

**Supplemental Letter on the Notice of Intent to Prepare a Draft
Environmental Impact Statement/Environmental Impact Report (Draft
EIS/EIR) for the Woodside Natural Gas OceanWay Secure Energy Liquefied
Natural Gas (LNG) Deepwater Port**

The South Coast Air Quality Management District (SCAQMD) appreciates the opportunity to comment on the above-mentioned document. The SCAQMD's comments are recommendations regarding the analysis of potential air quality impacts from the proposed project that should be included in the Draft EIS/EIR. Please send the SCAQMD a copy of the Draft EIS/EIR upon its completion. **In addition, please send with the draft EIS/EIR all appendices or technical documents related to the air quality analysis and electronic versions of all air quality modeling and health risk assessment files. Without all files and supporting air quality documentation, the SCAQMD will be unable to complete its review of the air quality analysis in a timely manner. Any delays in providing all supporting air quality documentation will require additional time for review beyond the end of the comment period.**

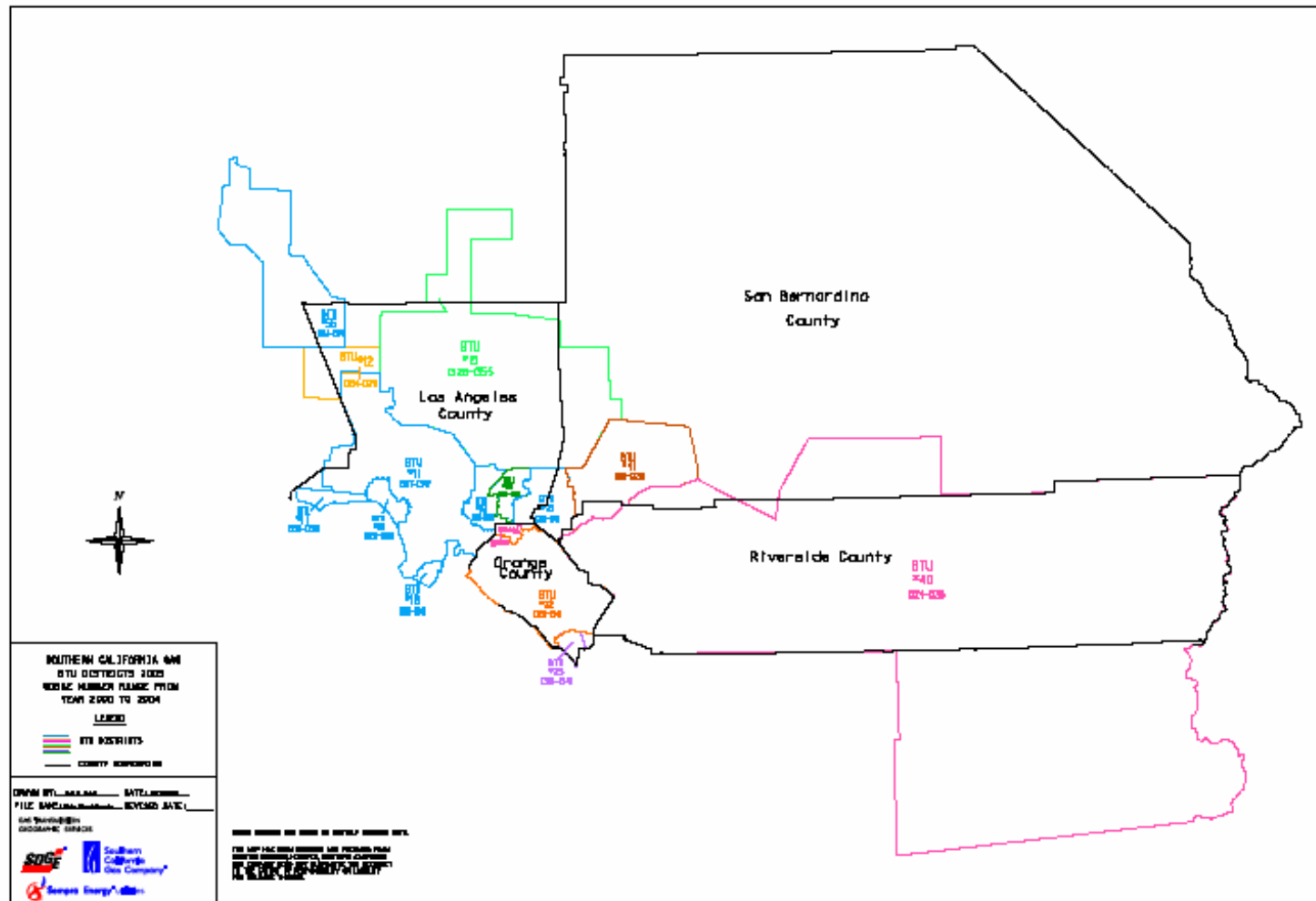
This letter provides supplemental comments to the SCAQMD's October 23, 2007 comment letter.

OceanWay Deepwater Port Effects on Gas Quality in SCAQMD

The OceanWay Deepwater Port License Application anticipates average natural gas flow rates of up to 1.6 billion cubic feet per day (bcfd) into the Southern California Gas Company (SCG) distribution system, which is over 60% of the average SCG system demand. Because of the large flow from this new gas supply, SCG will be installing new pipelines and compressors in the Los Angeles County portion of district to increase capacity to the area within the SCAQMD's jurisdiction.

The current average gas quality, expressed in terms of Wobbe Index (WI), is shown in the next figure from SCG for the four-county area in SCAQMD. For example, in Btu District #11, which is most likely to be affected by natural gas from the OceanWay Port, and which represents the largest portion of Los Angeles County, the WI from 2000 through 2004 averaged 1327 to 1347 Btu per standard cubic foot (Btu/scf).

(For a clearer view open the pdf document above)



The OceanWay application isn't clear on the quality of LNG to be imported, but OceanWay plans to install an inert gas (nitrogen) injection facility onshore, which indicates that OceanWay intends to bring in LNG that exceeds the current LNG Rule 30 Wobbe Index (WI) limit of 1385 Btu/scf and inject nitrogen to reduce the WI to the limit.

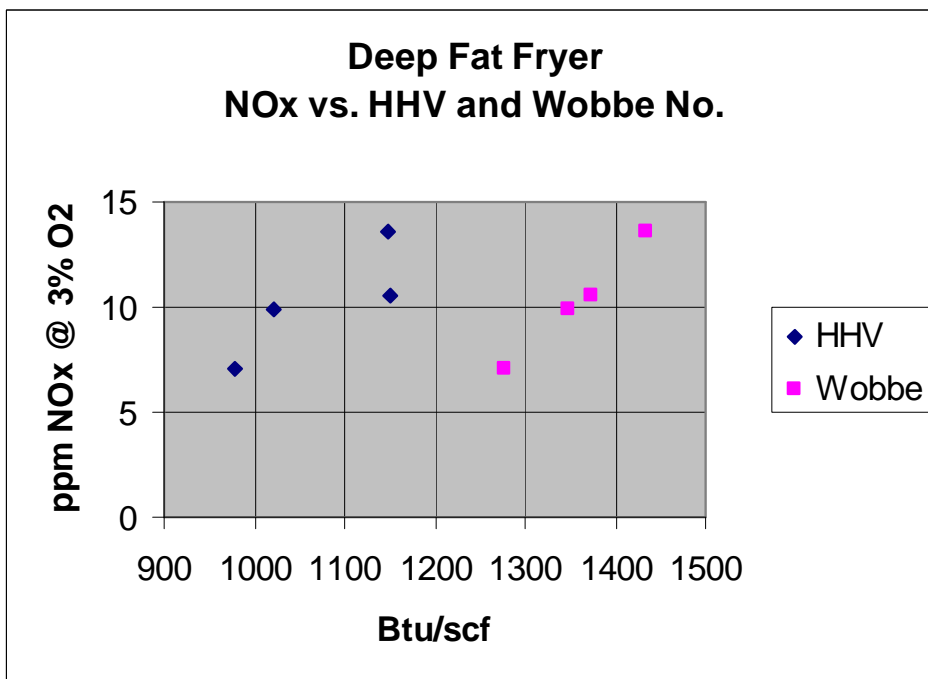
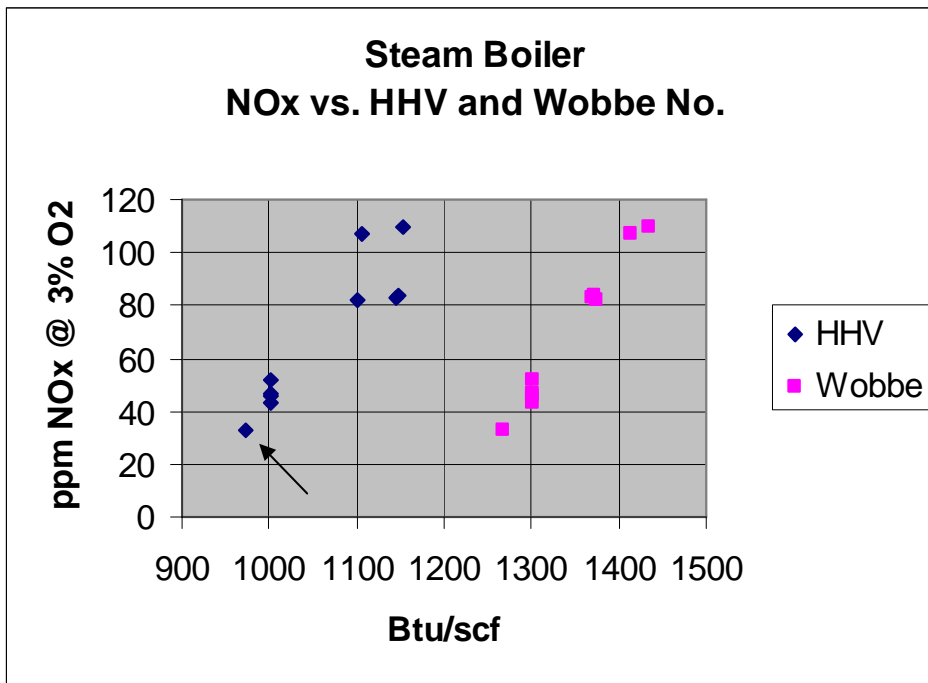
Even if the WI is limited to 1385 Btu/scf, significant NOx emission increases could occur from the sensitive stationary and mobile natural gas equipment previously discussed. On SCG "report" at http://www.socalgas.com/business/gasquality/docs/Mar7_LNG_Impact_SCAB.pdf, estimated potential NOx increases from LNG of 0.29 to 0.34 ton per day. SCAQMD cannot verify this estimate because only the slide presentation has been released. None of the calculations has been released to SCAQMD. However, based on the CNG engine tests previously referred to, SCAQMD estimates that NOx emissions from CNG vehicles alone could be as much as 4.6 tons per day if the 1385 WI gas replaces current supplies in SCAQMD.

Recommendation Regarding Gas Quality

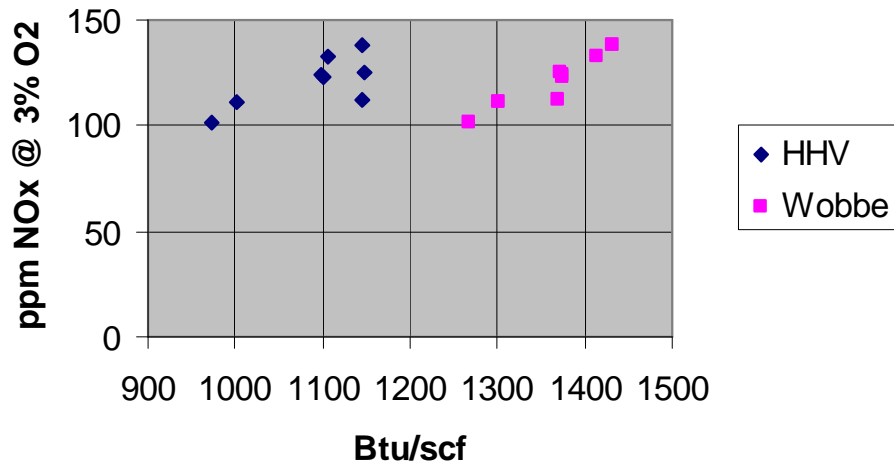
The Draft EIS/EIR should evaluate the impacts of the LNG on emissions of stationary and mobile natural gas equipment in the district and require mitigation measures. Mitigation measures could include:

- Limiting the WI of the natural gas to 1360 Btu/scf by importing high-methane LNGs or using the proposed onshore nitrogen injection equipment to reduce the WI to 1360;
- Retuning all sensitive stationary source combustion equipment to reduce emissions with the hot gas. The benefits of retuning were studied in the SCG reports found at the "Low NOx Boilers-Expanded Testing" section of <http://www.socalgas.com/business/gasquality/otherstudies/index.shtml>; and
- Providing emission offsets to compensate for the emission increases.

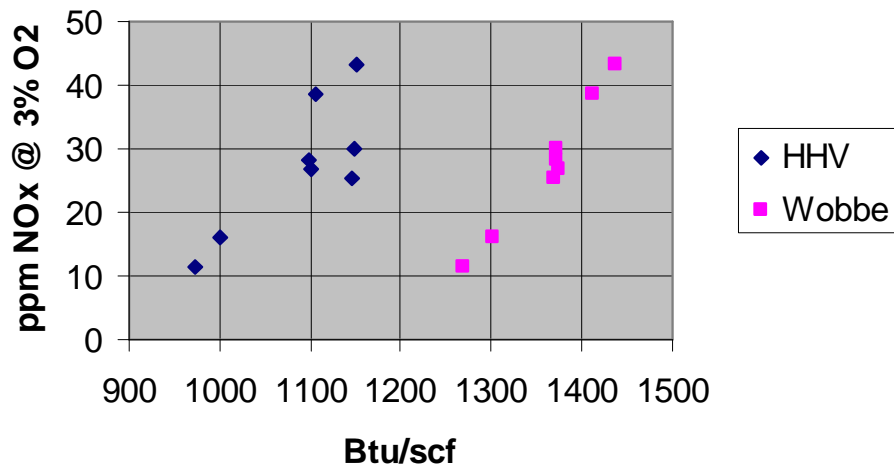
Attachment A – Selected Figures from Appendix G of Final Report - Gas Quality and Liquefied Natural Gas Research Study, Southern California Gas Company, April 2005



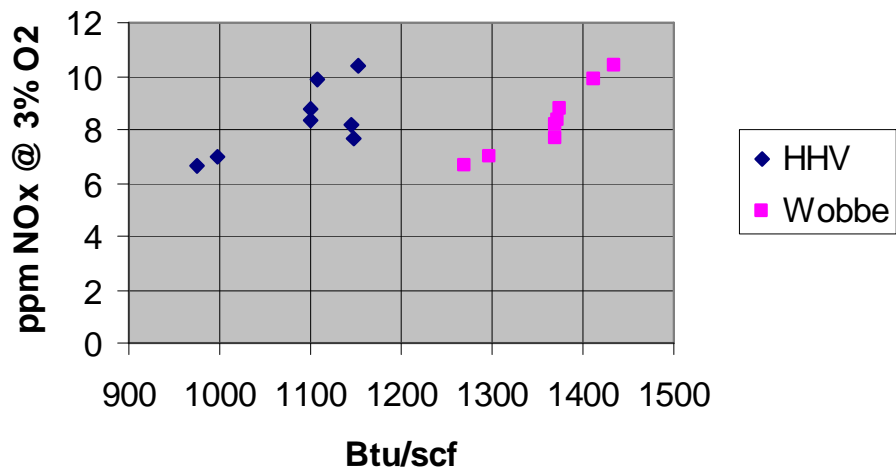
Instantaneous Water Heater NOx vs. HHV and Wobbe No.



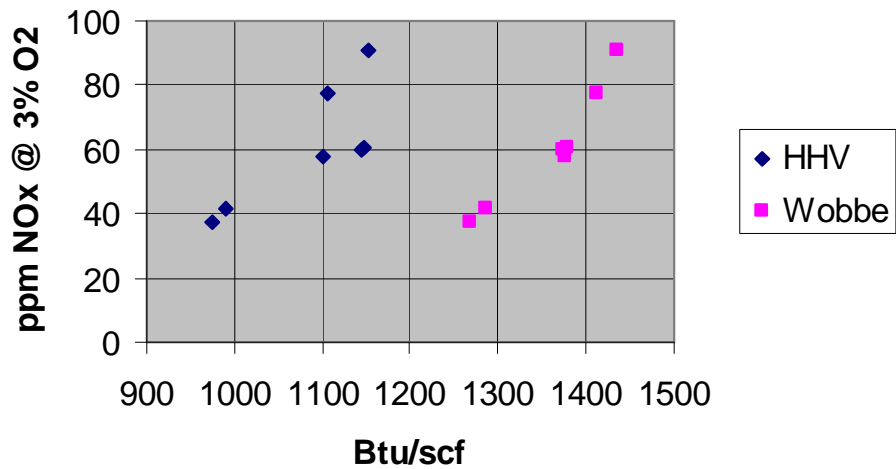
Hot Water Boiler NOx vs. HHV and Wobbe No.

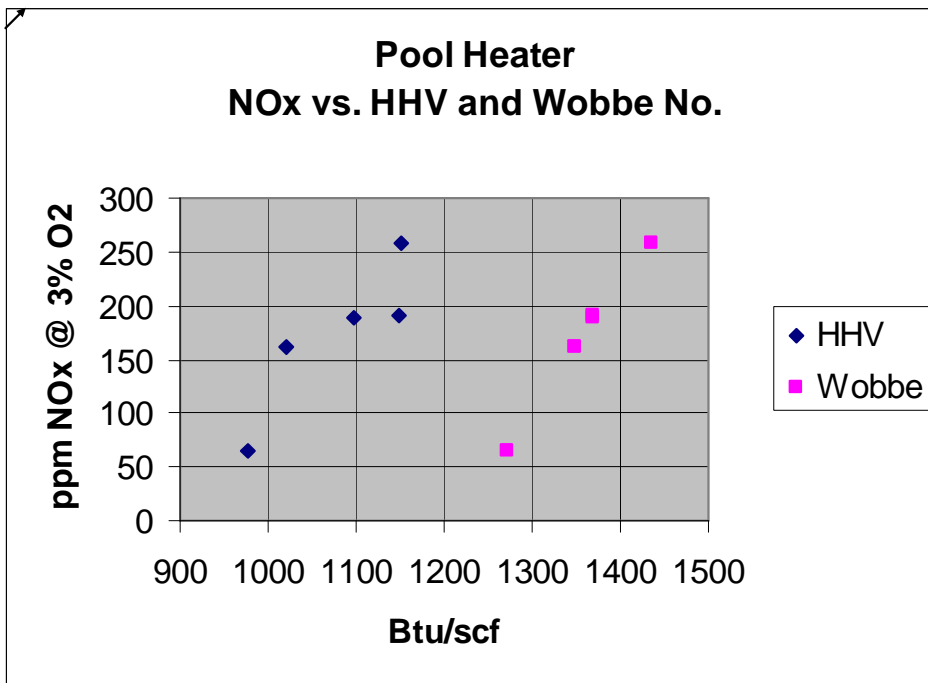


Ultra Low-NOx Steam Boiler NOx vs. HHV and Wobbe No.



Condensing Hot Water Boiler NOx vs. HHV and Wobbe No.





Sincerely,

Steve Smith

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Planning, Rule Development and Area Sources

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